(b), (c). (d) and (f) The company proposes to manufacture proprietary compound preparations and extracts to be used in the manufacture of concentrates for non-alcoholic beverages. 25% of the preparations produced are proposed to be sold in the domestic market for further processing into a beverage. An Inter-Ministerial Board of Approvals in the Ministry of Commerece duly scrutinises applications on establishing projects in the Export Processing Zones having regard to all relevant aspects including extension of the facility of sale in the domestic tariff area in accordance with the guidelines on a case by case basis and the use of foreign brand names.

No decision has been taken by Government on the application.

(e) A five year Tax-Holiday is available to all the units located in the Export Processing Zones in the country. The dividends on the foreign equity are repatriable subject to RBI regulations.

Entry of Coca Cola in the country using export processing zone

@@@@2589-D. SHRI V. GOPALSAMY:

SHRI CHIMANBHAI MEHTA:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to a news item which appeared in the Economic Times dated the 17th November, 1988 to the effect that Coca Cola is going to enter the Indian market using the export processing zone;

(b) whether Coca Cola proposal is in consistent with the objectives behind setting up of the export processing zone; and

(c) if so, what are the aims and objectives of the Export Processing Zones?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Yes. Sir.

(b) and (c) The objectives of the Export Processing Zones, inter-alia, are to earn foreign exchange, attract foreign investment and expand employment opportunities. The applicant company has stated that the proposal conforms to the regulations governing export production in the Export Processing Zones. Government has not taken a decision on the application.

Entry of Coca Cola in export processing zone

†2589.-E. SHRI T. R. BALU: Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to a news item which appeared in Hindustan Times dated 17th November, 1988 regarding re-entry of Coca Cola in the Indian market;

(b) what is the policy regarding factories in export Processing Zone selling its goods in the domestic market;

(c) whether Coca Cola is likely to be allowed to sell their goods in the local market;

(d) what is the Government's policy regarding foreign collaboration for consumer goods; and

(e) what is the policy regarding using Foreign Trade Marks in the domestic market?

@@@@Previously Unstarred Question 2743, transferred from the 2nd December, 1988.

†Previously Unstarred Question 2744, transferred from the 2nd December, 1988.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Yes, Sir.

(b) The units in the Zones are permitted, on a case by case basis, to to sell upto 25 per cent of their production in the domestic tariff area, if the indigenous content in the total cost of material inputs is above the level of 30 per cent, and upto 15 per cent, if the indigenous content is less than 30 per cent. Such units can also supply the goods produced by them to the domestic market against valid import licences. In both cases, the prescribed duties would be applicable.

(c) Government have not taken a decision on the application of the company.

(d) In regard to Export Processing Zones are 100 per cent Export Oriented Units, foreign collaboration for the production is duly permitted including in the sector of consumer goods.

(e) The Government's policy is not to encourage the use of foreign brand name on products meant for sale in domestic market. Under the Foreign Exchange Regulation Act, prior permission of the Reserve Bank of India for use of foreign trade marks is required if such use involves direct or indirect consideration.

Setting up of an export production unit by Coca Cola

**2589-F. SHRI DAYANAND SAHAY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Coca Cola Company propose to set up an export production unit for manufacture of certain preparations used in Coca Cola concentrate;

(b) if so, the details of proposal;

(c) whether the Company has agreed to lower its equity holding down to 40 per cent in terms of FERA;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Yes, Sir.

(b) to (e) The company proposes to manufacture proprietary compound preparations and extracts to be used in the manufacture of concentrates for non-alcoholic beverages. The proposal is to establish a unit wholly owned Subsidiary of the Coca Cola Company for implementing the project. 100 per cent foreign investment is permitted in the Export Processing Zones. No decision has been taken by the Government on this application.

Export production units to be set by foreign companies in NOIDA

†2589-G. SHRI BAIKUNTHA NATH SAHU: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that some foreign companies have applied to the NOIDA Export Processing Zone for permission to set up export production units;

(b) if so, which are the names of those foreign companies; and

(c) how far those companies would be able to provide employment if allowed to set up production units there?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a)

**Previously Unstarred Question 2757, transferred from the 2nd December, 1988.

†Previously Unstarred Question 2841, transferred from the 5th December, 1988.